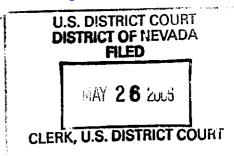
UNITED STATES DISTRICT COURT DISTRICT OF NEVADA RENO, NEVADA



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IN THE MATTER OF THE) 3:06-CV-0263-BES-VPC	
SEARCH OF:) OF LIED	
The Decidence I 4 1 4 10700) SEALED	
The Residence Located at 12720	MINUTES OF PROCEEDINGS	
Buckthorne Lane, Reno, Nevada,)	
and Storage Units 136, 140, 141,)	
142, and 143, Double R Storage,) DATED: May 26, 2006	
888 Maestro Drive, Reno, Nevada.)	
	_)	
PRESENT: <u>THE HONORABLE</u>	VALERIE P. COOKE, MAGISTRATE JUDGE	
D / Cl 1 T' M		
Deputy Clerk: Lisa Mann	Court Reporter: Kathryn M. French	
C1 f D14(-) D1	To == 1" == = =	
Counsel for Petitioner(s): Paul	Pugnese	
Corneal for Domandant(s). Min	The Dille Ciller of Dispersion	
Counsel for Respondent(s): Micr	ael Flynn, Philip Stillman, and Eric Pulver	_
PROCEEDINGS: SEALED MOTIC	NI LIE ADINIC	
ROCEEDINGS. SEALED MOTION REARING		

9:15 a.m. Court convenes.

The Court addresses the parties by reciting the chronology of events in this action.

The parties present their respective positions regarding the pending motions.

The Court, having heard the arguments of the parties and good cause appearing, finds as follows:

The government's motion for the expedited issuance of a protective order or in the alternative a motion for an expedited hearing submitted on May 10, 2006 is GRANTED. The government's motion for a protective order prohibiting disclosure of classified information sent to the Court on May 8, 2006, is DENIED. The government bases its motion on the ground that a contractual relationship exists between the Department of Defense (or some government agency) and Mr. Montgomery, pursuant to *United States v. Pappas*, 94 F.3d. 795, 801-02 (2d Cir. 1996). However, since the government has provided no evidence that such a contractual relationship exists, the Court cannot issue a protective order. The government has leave to renew its motion with proper evidentiary support.

In the Matter of the Search of: The Residence Located at 12720 Buckthorne Lane, Reno, Nevada, and Storage Units 136, 140, 141, 142, and 143, Double R Storage, 888 Maestro Drive, Reno, Nevada.

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May 26, 2006
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The Court shall review the pending motions of Dennis and Brenda Montgomery and The Montgomery Family Trust ("movants") to determine whether a factual dispute exists to warrant an evidentiary hearing pursuant to Fed.R.Crim.P. 41(g). If the Court decides that an evidentiary hearing is required, one shall be set shortly.

The Court and counsel discuss in general terms the classified information contained in the declaration of Michael Flynn, Esq., paragraph two, which is attached to the movants' motions to unseal search warrant materials and return property pursuant to Fed.R.Crim.P. 41(g) and to segregate privilege material. Mr. Flynn represents to the Court that neither he, co-counsel, nor movants will make any reference to the matters contained therein. To the extent the government believes it is necessary to pursue additional protections against disclosure of the classified information, the government has leave to do so.

The government's oral request to provide movants' counsel with redacted affidavits of the underlying search warrants is GRANTED. The government provides the Court and movants' counsel with the redacted affidavits in open court. The government also provides the Court and movants' counsel with a computer disk of photos of the locations where the searches occurred.

The Court refers to its prior order regarding the filing of simultaneous supplemental briefs and orders that such briefs be submitted to the Court no later than **Friday**, **June 2**, **2006** between **2:00 p.m.** and **3:00 p.m.** Pacific Daylight Time.

IT IS SO ORDERED.

11:11 a.m. Court adjourns.

LANCE S. WILSON, CLERK

By: /s/
Lisa Mann, Deputy Clerk